



City of Saint Paul

Randy C. Kelly, Mayor

*160 City Hall
15 West Kellogg Boulevard
Saint Paul, Minnesota 55102-1631*

*Telephone: (651) 266-8800
Facsimile: (651) 266-8541*

November 12, 2004

Council President Kathy Lantry, and
City Councilmembers
3rd Floor City Hall
15 West Kellogg Boulevard
St. Paul, MN 55102

Subject: Material for the November 17th Budget Meeting

Dear Council President Lantry and City Councilmembers:

The attached material has been prepared for your use as background, and will be used by presenters at next Wednesday's meeting. Please bring this packet of advance material with you to the meeting.

The enclosed information has been prepared by staff and is related to the discussion items listed on the City Council's 2004 Meeting Notice and Agenda for November 17th, 2004, as distributed on Friday, November 12th, 2004. The discussion items and materials are:

- I. Review and Approve Agenda for November 17th and tentative agendas for November 24th and December 1st (Council President Kathy Lantry)
- II. Review and Update as Necessary, the latest Version of the "City Council 2005 Budget Issues List" (Bob Kessler, Council Research)
- III. Review of the Department of Planning and Economic Development and the Housing and Redevelopment Authority (HRA) Budget. (Susan Kimberley, PED Director/HRA Executive Director & Matt Smith, Director of Financial Services)

See pages 3-8 of the enclosed material.

- A. Review Funding for All Housing Programs (Reference Question #80 from the November 5, 2004, Council Issues List) (Susan Kimberley)

See pages 15 - 19, Memo to Matt Smith from PED, which includes a response to Question #80 from the Council Issues List.

- B. Review Options for Citizen Participation Funding for the District Councils, Including the Funding Formulas Considered and the Recommendations Made by the 2004 Ad Hoc Committee on Citizen Participation (Ken Smith & Bob Kessler, Council Research)

See page 9 of the enclosed material for information provided by OFS.

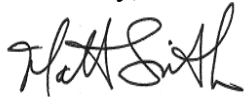
- IV. Review Saint Paul Ramsey Public Health Budget (Rob Fulton, Director of Public Health)

See pages 10-14 of the enclosed material.

- V. Miscellaneous Budgets (To be Identified)

If you have questions on these subjects, please contact me. I look forward to seeing you next Wednesday.

Cordially,



Matt Smith
Director

cc: Dennis Flaherty
Budget Analysts
Department Directors
Trudy Moloney

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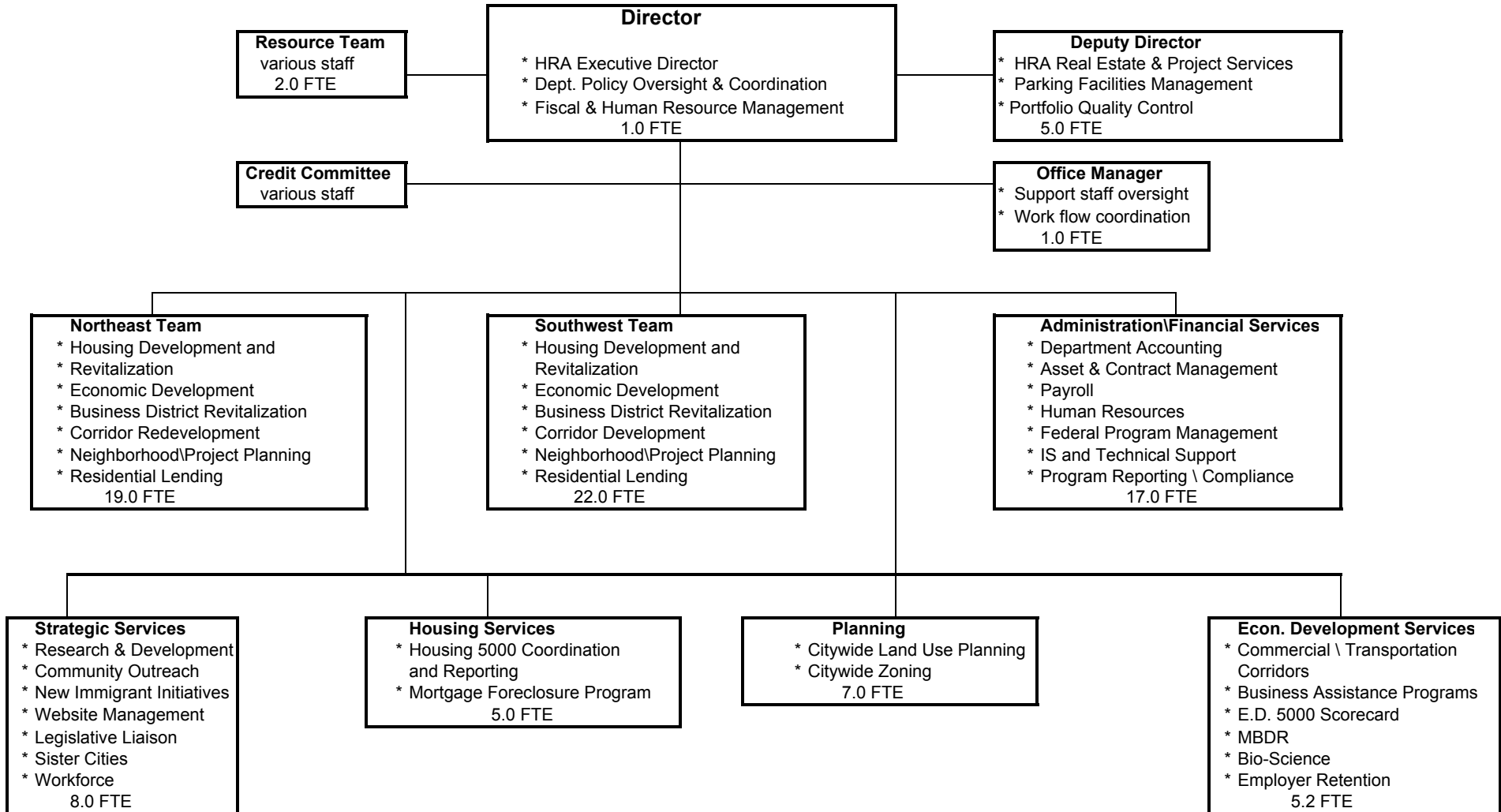
Department of Planning and Economic Development

Mission Statement

In partnership with our community, promote investment and increase value in Saint Paul's housing and economic development initiatives.

Planning and Economic Development

Total 92.2 FTEs



Strategic Plan Accomplishments and 2005 Priorities

PED's mission is to grow jobs and promote investment that maintains and expands Saint Paul's tax base. This is accomplished through the promotion of new housing, strategic commercial and economic development, and careful planning that builds on past accomplishments to define our vision for the future.

2004 ACCOMPLISHMENTS

1. Continued successful implementation of Housing 5000 initiative, including the expected production of 3,750 new housing units by 12/31/04, at least 20% of which will be affordable in accordance with the program goals.
2. The Traditional Neighborhood Zoning ordinance was completed and adopted, streamlining and clarifying citywide zoning regulations, and facilitating the development of mixed use, pedestrian-oriented neighborhoods.
3. Implemented a second successful year of the Minority Business Development and Retention Initiative, including the Socially Responsible Investment Program and creation of a network of community partnerships to increase technical and financial resources for women, minorities, and small businesses.
4. Provided economic development assistance through the Strategic Investment Fund, creating financial incentives for healthy, growing companies relocating to Saint Paul.
5. Moved forward with the sale of the Biotechnology incubator, assisted in the establishment of the Capital City Bioscience Corporation. Continued to promote and encourage the biosciences through the provision of professional and technical assistance, and furthered the establishment of the city's BioScience Corridor.
6. Provided strategic investment in public infrastructure and amenities, and private development, in commercial corridors, including MainStreet Initiatives on Payne Avenue, Selby Avenue, and District Del Sol.
7. Continued to promote the conversion of Class B and Class C downtown office properties to residential use, thereby reducing office vacancies and increasing downtown residents (which will in turn increase demand for retail, hospitality and related services.)
8. Established the Small Business Expansion Program in partnership with the Community Reinvestment Fund and local lenders. The action has leveraged New Market Tax Credits to create below market loans in targeted areas.

2005 PRIORITIES

2005 will present another extremely challenging year for PED. Shrinking financial resources, increased needs, and a constant work force are a reality. Prioritizing needs, assessing economic impact, and targeting resources will be paramount. The creation of new partnerships, maintaining current revenue streams, and cultivating new financial opportunities are clearly goals for 2005. PED staff welcome the challenge.

Implementation of the fourth year of the Housing 5000 Plan, building on the initial successes of the commercial corridor development, and capitalizing on downtown and riverfront opportunities all represent priorities. Work with our public, private, and community-based partners will be critical as adopted plans and projects become realities. Outreach to under-represented groups will continue to be a priority, along with simplifying process and procedure. Finally, staff will remain flexible, and be in position to take advantage of new housing, commercial, and economic development opportunities as they arise.

1. Focus economic development activities on increasing investment, promoting partnerships, creating jobs, and sustaining the tax base.
2. Complete implementation of Housing 5000, by 12/31/05 (20% of which will be affordable), and increase the ongoing investment in existing housing stock.
3. Continue development of key commercial/transportation corridors through concentration of private and public investment in transportation infrastructure, housing and commercial development, and public amenities.
4. Complete development of the University of Minnesota biotechnology incubator and promote development of the new Saint Paul bioscience corridor.
5. Continue and expand the efforts of the Minority Business Development and Retention and Small Business Expansion Programs
6. Target areas of disinvestment for economic renewal and revitalization.
7. Reclaim brownfield sites into productive residential and commercial properties.
8. Pursue Federal, State and local partnerships, concentrating on higher education and health care.
9. Engage community and business groups, and encourage involvement by all sectors of the community to promote responsible decision making.

Planning & Economic Development

Department/Office Director: SUSAN E KIMBERLY

	2002 2nd Prior Exp. & Enc.	2003 Last Year Exp. & Enc.	2004 Adopted Budget	2005 Mayor's Proposed	Change from 2004 Adopted
<u>Spending By Unit</u>					
001 GENERAL FUND	1,097,106	793,278	108,483	109,083	600
100 COMMUNITY DEVELOPMENT BLOCK GRANT	11,247,701	8,688,961	11,854,000	11,854,000	
101 NEIGHBORHOOD REVITALIZATION PROG	3,714,622	1,039,264			
108 SECTION 108 PROGRAMS		3,409			
126 PED OPERATIONS FUND	8,947,983	7,957,764	8,719,707	8,975,468	255,761
130 PARKING AND TRANSIT FUND	6,543,108				
133 HOUSING INFO OFFICE - PED		9			
149 CITY DWTN CAPT'L PROJS NOTE REPAY F	4,696,174	7,422,720			
Total Spending by Unit	36,246,694	25,905,405	20,682,190	20,938,551	256,361
<u>Spending By Major Object</u>					
SALARIES	5,515,997	5,209,044	5,557,001	5,636,051	79,050
SERVICES	5,843,202	4,874,106	1,286,538	1,480,176	193,638
MATERIALS AND SUPPLIES	51,467	37,523	67,500	79,470	11,970
EMPLOYER FRINGE BENEFITS	2,162,748	1,727,314	1,804,816	1,736,754	-68,062
MISC TRANSFER CONTINGENCY ETC	22,600,831	14,029,244	11,951,335	11,991,100	39,765
DEBT					
STREET SEWER BRIDGE ETC IMPROVEMENT					
EQUIPMENT LAND AND BUILDINGS	72,449	28,174	15,000	15,000	
Total Spending by Object	36,246,694	25,905,405	20,682,190	20,938,551	256,361
Percent Change from Previous Year		-28.5%	-20.2%	1.2%	
<u>Financing By Major Object</u>					
GENERAL FUND	1,097,106	793,278	108,483	109,083	600
SPECIAL FUND					
TAXES					
LICENSES AND PERMITS					
INTERGOVERNMENTAL REVENUE	12,038,892	7,282,197	9,854,000	9,854,000	
FEES, SALES AND SERVICES	9,651,645	8,104,585	8,713,421	8,975,468	262,047
ENTERPRISE AND UTILITY REVENUES	28,200	44,245	2,000,000	2,000,000	
MISCELLANEOUS REVENUE	3,376,588	1,783,367			
TRANSFERS	4,394,911	7,841,494			
FUND BALANCES			6,286	0	-6,286
Total Financing by Object	30,587,342	25,849,166	20,682,190	20,938,551	256,361
Percent Change from Previous Year		-15.5%	-20.0%	1.2%	

Budget Explanation

Major Changes in Spending and Financing

As was the case in 2004, the 2005 PED Operations is budgeting no City General Funds. The result is the City realizing a General Fund savings of more than \$1.0 million. Spending reductions continue to account for the financing reduction, 2005 proposed FTE's are 92.2, or a .7 FTE increase over 2004. The 2003 budget included 101.6 FTE's.

Creating the 2005 Budget Base

The 2004 adopted budget was adjusted to set the budget base for the year 2005. The actual 2004 salary rates were implemented and the cost of one pay day was removed because 2004 was a leap year, with one extra work day. The base includes the planned salaries and growth in fringes for 2005 for employees related to the bargaining process, and a small 2% growth for normal inflation on goods and services.

The budget base also reflects the city-wide policy decision to alter the way we account for the costs of workers' compensation: moving away from an indirect allocation method and to a direct charge approach recording each department's costs in their own department budget. So, a separate line item budget for workers' compensation was included in specific department activity base budgets.

Mayor's Recommendations

The Proposed Budget reflects a continuation of staff and service levels comparable to the 2004 budget.

City of Saint Paul
2005 Major Unit Spending Plan by Division and Fund
Mayor's Proposed Budget to the City Council

Department: **PLANNING & ECONOMIC DEVELOPMENT**

Director: SUSAN E KIMBERLY

Mission:

IN PARTNERSHIP WITH OUR COMMUNITY, PROMOTE INVESTMENT AND INCREASE VALUE IN SAINT PAUL'S HOUSING AND ECONOMIC DEVELOPMENT INITIATIVES.

Services:

THE DEPARTMENT OF PLANNING & ECONOMIC DEVELOPMENT IS DIVIDED INTO THE DIRECTOR'S OFFICE AND FIVE TEAMS: ADMINISTRATIVE SERVICES, HOUSING, DOWNTOWN, EAST AND WEST. THE DEPARTMENT IS RESPONSIBLE FOR ALL PLANNING ACTIVITIES CARRIED ON IN THE CITY, FOR DOWNTOWN AND NEIGHBORHOOD DEVELOPMENT, FOR HOUSING REHABILITATION AND CONSTRUCTION ACTIVITIES, FOR ECONOMIC DEVELOPMENT ACTIVITIES AND FOR COMMUNITY DEVELOPMENT ACTIVITIES.

Department Spending Plan by Type of Expenditure		2002 2nd Prior Exp. & Enc.	2003 Last Year Exp. & Enc.	2004 Adopted	2005 Mayor's Proposed	Changes from Amount	2004 Percent
Total General Fund		0	0	0	0	0	0.0%
Percent Change from Previous Year			0.0%	0.0%			
103	HRA FEDERAL AND STATE PROGRAMS	4,450,928	3,068,067	3,463,000	4,015,943	552,943	16.0%
117	HRA LOAN ENTERPRISE FUND	5,214,132	9,985,949	5,313,802	17,825,700	12,511,898	235.5%
119	HRA PARKING FUND	9,479,766	13,977,713	12,090,437	11,363,856	-726,581	-6.0%
139	HRA DEBT SERVICE	44,639,892	41,523,587	31,334,908	29,544,371	-1,790,537	-5.7%
145	HRA GENERAL	3,502,748	10,845,644	4,057,967	4,587,278	529,311	13.0%
148	HRA TAX INCREMENT	29,937,522	9,194,674	4,070,539	455,296	-3,615,243	-88.8%
Total Special Fund		97,224,988	88,595,634	60,330,653	67,792,444	7,461,791	12.4%
Percent Change from Previous Year			-8.9%	-31.9%			

Proposed 2005 Citizen Participation Funding

FUNDING: 75% POPULATION, 15% POVERTY, 5% DIVERSITY (Non-English Speaking) 5%JOBS

DIST	517,949		103589.7		Allocation		34529.9		Allocation		34529.9		Proposed		Current		Change		37K min		Final	
	Pop. %	75%Pop	Pov %	15% Pov	Div. %	5% Div.	Jobs%	5% Jobs	Allocation												Allocation	
1	0.07	\$ 36,256.40	0.0555	\$ 5,749.23	0.0433	\$ 1,495.14	0.0225	\$ 776.92	\$ 44,277.69	\$	\$ 38,592.00	\$	\$ 5,685.69							\$ 44,277.69		
2	0.092	\$ 47,651.26	0.091	\$ 9,426.66	0.112	\$ 3,867.35	0.0118	\$ 407.45	\$ 61,352.73	\$	\$ 42,308.00	\$	\$ 19,044.73							\$ 61,352.73		
3	0.056	\$ 29,005.12	0.0592	\$ 6,132.51	0.1118	\$ 3,860.44	0.058	\$ 2,002.73	\$ 41,000.80	\$	\$ 38,803.00	\$	\$ 2,197.80							\$ 41,000.80		
4	0.062	\$ 32,112.81	0.0799	\$ 8,276.82	0.101	\$ 3,487.52	0.046	\$ 1,588.38	\$ 45,465.52	\$	\$ 38,695.00	\$	\$ 6,770.52							\$ 45,465.52		
5	0.11	\$ 56,974.34	0.1394	\$ 14,440.40	0.161	\$ 5,559.31	0.034	\$ 1,174.02	\$ 78,148.07	\$	\$ 44,882.00	\$	\$ 33,266.07							\$ 78,148.07		
6	0.086	\$ 44,543.57	0.121	\$ 12,534.35	0.087	\$ 3,004.10	0.0385	\$ 1,329.40	\$ 61,411.43	\$	\$ 43,132.00	\$	\$ 18,279.43							\$ 61,411.43		
7	0.06	\$ 31,076.91	0.1224	\$ 12,679.38	0.148	\$ 5,110.43	0.0444	\$ 1,533.13	\$ 50,399.84	\$	\$ 44,418.00	\$	\$ 5,981.84							\$ 50,399.84		
8	0.063	\$ 32,630.76	0.0811	\$ 8,401.12	0.0548	\$ 1,892.24	0.026	\$ 897.78	\$ 43,821.90	\$	\$ 44,592.00	\$	\$ (770.10)							\$ 43,821.90		
9	0.036	\$ 18,646.15	0.0255	\$ 2,641.54	0.009	\$ 310.77	0.0716	\$ 2,472.34	\$ 24,070.79	\$	\$ 37,212.00	\$	\$ (13,141.21)	\$	\$ 12,929.21					\$ 37,000.00		
10	0.043	\$ 22,271.79	0.0216	\$ 2,237.54	0.0122	\$ 421.26	0.04	\$ 1,381.20	\$ 26,311.78	\$	\$ 35,823.00	\$	\$ (9,511.22)	\$	\$ 10,688.22					\$ 37,000.00		
11	0.041	\$ 21,235.89	0.0324	\$ 3,356.31	0.0108	\$ 372.92	0.0536	\$ 1,850.80	\$ 26,815.92	\$	\$ 36,513.00	\$	\$ (9,697.08)	\$	\$ 10,184.08					\$ 37,000.00		
12	0.021	\$ 10,876.92	0.0184	\$ 1,906.05	0.005	\$ 172.65	0.089	\$ 3,073.16	\$ 16,028.78	\$	\$ 36,413.00	\$	\$ (20,384.22)	\$	\$ 20,971.22					\$ 37,000.00		
13	0.065	\$ 33,666.65	0.0541	\$ 5,604.20	0.0382	\$ 1,319.04	0.0677	\$ 2,337.67	\$ 42,927.57	\$	\$ 39,083.00	\$	\$ 3,844.57							\$ 42,927.57		
14	0.069	\$ 35,738.45	0.0256	\$ 2,651.90	0.0104	\$ 359.11	0.017	\$ 587.01	\$ 39,336.46	\$	\$ 38,668.00	\$	\$ 668.46							\$ 39,336.46		
15	0.081	\$ 41,953.83	0.0379	\$ 3,926.05	0.072	\$ 2,486.15	0.0558	\$ 1,926.77	\$ 50,292.80	\$	\$ 40,111.00	\$	\$ 10,181.80							\$ 50,292.80		
16	0.024	\$ 12,430.76	0.0082	\$ 849.44	0.0019	\$ 65.61	0.0159	\$ 549.03	\$ 13,894.83	\$	\$ 33,537.00	\$	\$ (19,642.17)	\$	\$ 23,105.17					\$ 37,000.00		
17	0.021	\$ 10,876.92	0.0266	\$ 2,755.49	0.016	\$ 552.48	0.3055	\$ 10,548.88	\$ 24,733.77	\$	\$ 36,065.00	\$	\$ (11,331.23)	\$	\$ 12,266.23					\$ 37,000.00		
Totals									\$ 690,290.68	\$	\$ 668,847.00	\$	\$ 21,443.68	\$	\$ 90,144.12					\$ 780,434.81		

Public Health

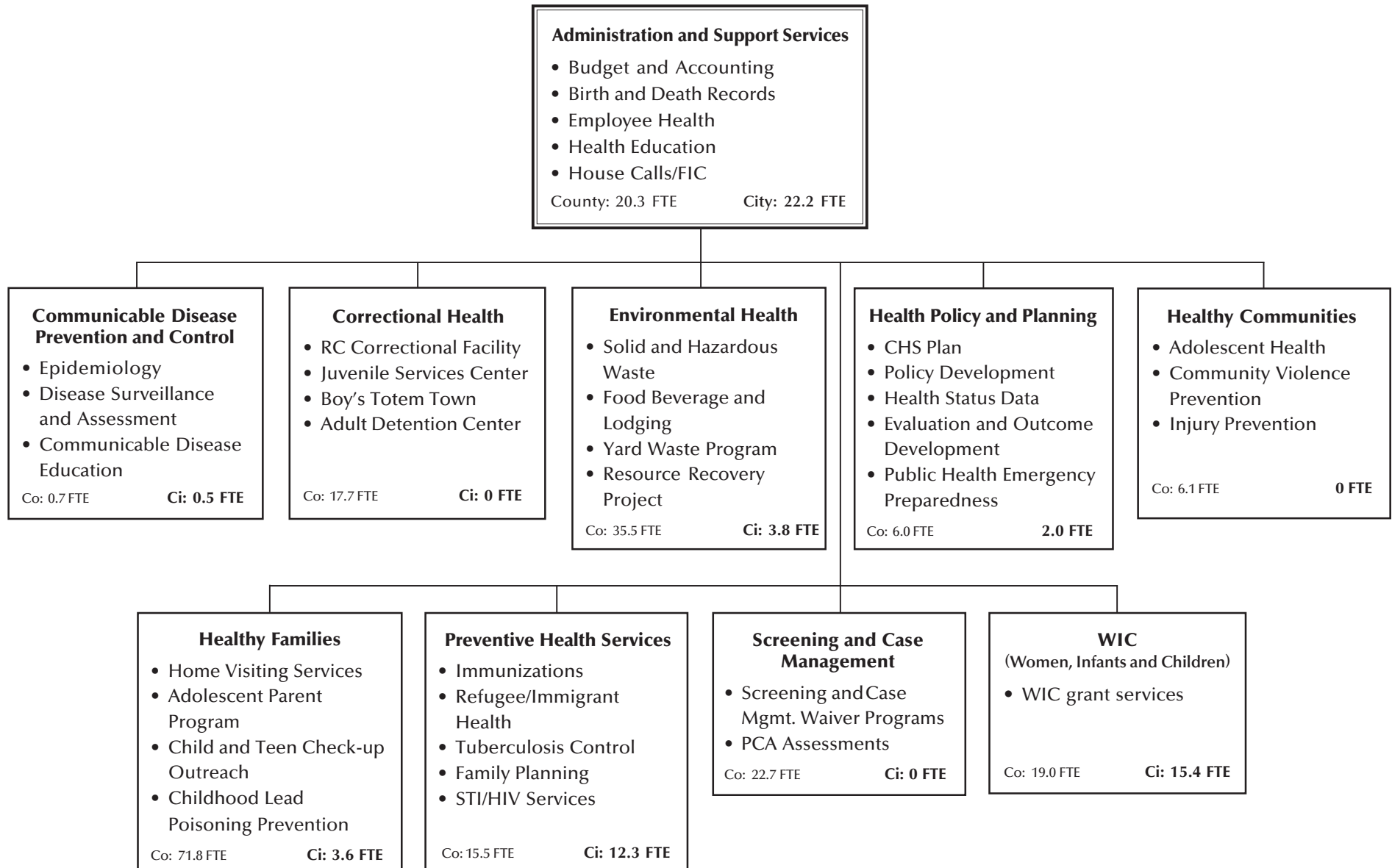
Mission Statement

To improve, protect, and promote the health, the environment, and the well being of people in the community.

Saint Paul-Ramsey County Public Health

(Total 275.0 FTEs)

City = 59.8
County = 215.2



Strategic Plan Accomplishments and 2005 Priorities

Major Accomplishments

In 1997, the City's public health function was merged, through a joint powers agreement, with Ramsey County's. The administration of this function now resides with the County. As resignations or retirements of City staff members occur, the positions are filled by the County. As City employees resign or retire, the City budget shows a decline in FTEs and dollars associated with paying their salary and benefits. Their salary and benefit costs are reimbursed by Ramsey County, and the County is responsible for the portion of the tax levy that covers these expenses.

2005 Priorities

Priorities for the provision of public health services are determined by the Community Health Services Advisory Committee. To accomplish our mission, the Saint Paul-Ramsey County Department of Public Health concentrates its efforts in four areas of strategic focus:

- Prevent communicable diseases
- Promote the health of children, youth and their families
- Protect the environment and reduce environmental health hazards
- Reduce chronic disease

Public Health

Department/Office Director: NEAL R HOLTAN

	2002 2nd Prior Exp. & Enc.	2003 Last Year Exp. & Enc.	2004 Adopted Budget	2005 Mayor's Proposed	Change from 2004 Adopted
<u>Spending By Unit</u>					
304 PUBLIC HEALTH SERVICES	1,452,220	1,611,193	1,748,057	0	-1,748,057
305 PUBLIC HEALTH SPEC REV FUND	2,662,332	2,408,574	2,422,896	3,973,187	1,550,291
Total Spending by Unit	4,114,552	4,019,767	4,170,953	3,973,187	-197,766
<u>Spending By Major Object</u>					
SALARIES	3,132,044	3,030,075	3,145,851	2,978,787	-167,064
SERVICES	15,962	13,411			
MATERIALS AND SUPPLIES					
EMPLOYER FRINGE BENEFITS	966,546	976,281	1,025,102	994,400	-30,702
MISC TRANSFER CONTINGENCY ETC					
DEBT					
STREET SEWER BRIDGE ETC IMPROVEMENT					
EQUIPMENT LAND AND BUILDINGS					
Total Spending by Object	4,114,552	4,019,767	4,170,953	3,973,187	-197,766
Percent Change from Previous Year		-2.3%	3.8%	-4.7%	
<u>Financing By Major Object</u>					
GENERAL FUND					
SPECIAL FUND					
TAXES					
LICENSES AND PERMITS					
INTERGOVERNMENTAL REVENUE					
FEES, SALES AND SERVICES	4,114,552	4,019,763	4,170,953	3,973,187	-197,766
ENTERPRISE AND UTILITY REVENUES					
MISCELLANEOUS REVENUE					
TRANSFERS				53,497	53,497
FUND BALANCES				-53,497	-53,497
Total Financing by Object	4,114,552	4,019,763	4,170,953	3,973,187	-197,766
Percent Change from Previous Year		-2.3%	3.8%	-4.7%	

Budget Explanation

Major Changes in Spending and Financing

Creating the 2005 Budget Base

The 2004 adopted budget was adjusted to set the budget base for the year 2005. The actual 2004 salary rates were implemented and the cost of one pay day was removed because 2004 was a leap year, with one extra work day. The base for Public Health includes the planned salaries and growth in fringes for 2005 for employees, related to the bargaining process. The budget base also reflects the city-wide policy decision to alter the way we account for the costs of workers' compensation: moving away from an indirect allocation method and to a direct-charge approach, recording each department's costs in their own department budget. Workers' Compensation costs were added to the budget as a separate line item instead of being included in the fringe rate.

Mayor's Recommendations

The Public Health proposed budget for 2005 is \$3,973,187, or \$197,766 less than the 2004 adopted budget. The 2005 budget was prepared by the Office of Financial Services based on information from the Saint Paul-Ramsey County Health Department. The budget reflects the number of employees (59.8) who are still on the City's payroll. This is 4.3 FTEs less than in 2004. For 2005, Public Health Fund 304 was integrated into Fund 305, since the distinction between the two funds was not material. Now, all City public health related spending is in Fund 305. Financing for this fund comes from reimbursements from Ramsey County for the cost of the SPRC Health Department employees who are still on the City's payroll.



CITY OF SAINT PAUL

Randy C. Kelly, Mayor

Administrative Services

1420 City Hall Annex
25 West Fourth Street
Saint Paul, Minnesota 55102-1632

Telephone: 651-266-6700

Facsimile 651-228-3220

TO: Matt Smith, Director
Financial Services Director

FR: Bob Hammer, Team Leader
PED Administrative Services

DATE: November 16, 2004

SUBJECT: PED Budget Questions

Listed below please find responses to questions from the City Council regarding the PED \ HRA Budget:

Question # 78. 11-03-04 Parks and PED

What is the status of planning for the Trillium site in Ward 5 (Helgen)?

This project is being managed by the Parks and Recreation department.

Don Ganje, Landscape Architect with Parks, indicates they are receiving cost estimates to perform a site survey, which should be received this week. The lowest bidder will then be selected, and the process should take approximately three weeks.

Mr. Ganje has begun to organize a Design Advisory Committee, with a "get to know you" meeting prior to the Christmas Holidays. A Parks staff person has been assigned, and work is expected to begin in earnest after the first of the year. Additional questions may be directed to Don at 266-6425.

Question # 80. 11-03-04 PED & O.F.S.

What is the total of all the housing programs in the 2004 operating and capital budgets, and the proposed 2005 operating and capital budgets. Include housing production financing, housing rehabilitation, and home ownership programs. (Helgen)

The FY2004 Capital Housing Program exceeds \$56.8 million.

CDBG (Community Development Block Grant Program)

Following is a summary of CDBG programs:

CDBG PED Housing Programs	2004	2005
Ames Lake Neighborhood - Development Gap	1,000,000	1,000,000
Financing	1,000,000	1,000,000
Home Purchase and Rehabilitation Fund	500,000	500,000
Home Ownership Development Fund	500,000	500,000
Community Collaboration for Home Ownership	1,150,000	1,150,000
Housing Real Estate Development Fund	500,000	500,000
Neighborhood Revitalization Acquisition Fund		
CDBG Subgrantee Housing Programs		
East Side Revolving Loan Fund (DBNHS/ESNDC)	400,000	400,000
Home Improvement Plus (NENDC)	150,000	150,000
Home Improvement Lending Program (CNHS)	350,000	350,000
Frogtown CDC Facelift Home Rehab	200,000	200,000
Frogtown CDC Flexible Fund for Housing	150,000	150,000
Redevelopment		
Total	\$5,900,000	\$5,900,000

Of the CDBG funds, \$2.75 million is specifically for rehab, \$2.8 million can be used for rehab or new construction, and \$350k is for home purchase entry costs. The summary does not include the allocated program/project fund balances from prior years that are available/uncommitted.

HOME (Federal Home Investment Partnership Program)

\$2,539,044 in HOME funds were awarded in FY2004, and \$2,500,000 is estimated in FY2005.

All HOME funds may be used for rehab or new construction. The above amounts do not include allocated program/project fund balances from prior years that are available/uncommitted.

ESG (Emergency Shelter Grants)

The City was awarded \$351,017 in ESG funds in FY2004, ands anticipates a \$350,000 award in FY2005.

STAR (Sales Tax Revitalization) Program

An annual amount of the greater of 60% or \$5,000,000 of the STAR funds was approved by the City Council for a total \$20,000,000 for the four-year Housing 5000. During 2004 and 2005, it is anticipated that \$5,000,000 will be awarded for housing development projects.

All STAR funds may be used for rehab or new construction. The above does not include all prior cycle unexpended fund balances and any funds available year round.

HRA (Housing and Redevelopment Authority)

Following is a summary of funds available for housing projects/programs in the 2004 budget and the proposed 2005 budget:

HRA Housing Funds	2004	2005
Home Purchase and Rehab	90,000	90,000
Mixed-Income Housing 5000	2,000,000	2,000,000
Rental Rehabilitation–HUD (program income)	130,000	250,000
MHFA Purchase Discount	125,000	125,000
Total	\$2,345,000	\$2,465,000

Revenue Bonds

Each year the City/HRA has the authority to issue tax-exempt bonds for mortgage revenue bond loan/mortgage credit certificate programs, rental housing or other eligible uses. Also, each year there may be opportunities to refund past mortgage loan programs and recycle bonding authority in order to provide additional mortgage loan proceeds in addition to the annual bond authority allocated to single family mortgage loan programs. These amounts are added to the annual bond authority allocated to single family mortgage loan

programs to provide additional mortgage loan proceeds. \$27,304,000 in bond authority is the annual allocation for 2004, and approximately the same amount is estimated to be available in 2005.

The above does not include the current balances in existing first-time homebuyer and middle income mortgage loan programs, the mortgage credit certificate program, and any carry-forward authority from prior years.

LIHTC (Low Income Housing Tax Credits)

Each year the City/HRA has the authority to allocate federal low income housing tax credits, which generate private equity investments in eligible rental housing developments. The allocation is \$771,900 for 2004 (2005 credits) which can generate an estimated \$5,625,000 of private equity investment. A similar amount will be available in 2005 (2006 credits).

Additionally, with the use of housing revenue bonds, housing tax credits are available outside of the annual allocation mentioned above. It is estimated that \$7,800,000 of additional private equity investment will be available through the allocation of tax credits in conjunction with the issuance of tax-exempt rental housing revenue bonds.

Following is a summary of housing capital funds for 2004 and 2005:

Resources	2004	Estimated 2005
CDBG	5,900,000	5,900,000
HOME	2,539,044	2,500,000
ESG	351,017	350,000
STAR	5,000,000	5,000,000
HRA	2,345,000	2,465,000
Subtotal	\$16,135,061	\$16,215,000
Revenue Bonds	27,304,000	27,000,000
Housing Tax Credits	13,425,000	14,000,000
Total	\$56,864,061	\$57,215,000

FY2004 & FY2005 Operational Housing Costs

Identifying costs for operating expenses specifically related to housing can certainly be accomplished, but it is a significantly greater task. Variables include approximately 90 financing sources, most restricted in use, and more than 150 active projects. Each activity's direct costs, including salaries and associated expenses, may be financed with multiple funding sources. Finally, while allocation of operational overhead is estimated at the beginning of the year, sources and uses may require adjustments at years' end based upon actual activity performance and receipts.

An analysis of operational costs strictly related to housing activities would be more appropriately performed upon completion of FY2004 activities, when all revenues have been collected, project activity hours are complete, and cost allocations properly distributed.

For additional information, please contact Bob Hammer at 266-6693.

Attachment

cc: Susan Kimberly
Peter Butler
Bob Hammer
Tom Meyer
Gary Peltier
PED Staff